ATTACHMENT 2

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of ACC National Telecom Corp.	**)**	**Case 98-C-1273**
Blocking Obligations for Chatline Services	**)**	
	)	
Complaint of Origin Communications, Inc.	**)**	**Case 98-C-1479**
Against Frontier Telephone of Rochester, Inc.	**)**	
Concerning Alleged Blocking of Free Chatlines	**)**	

REPLY COMMENTS OF CABLEVISION LIGHTPATH INC.

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March 29, 1999

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REPLY COMMENTS OF CABLEVISION LIGHTPATH, INC.

Cablevision Lightpath, Inc. ("Lightpath"), by its attorneys, hereby files these reply comments in the above-referenced proceeding pursuant to the procedural schedule issued by the New York Public Service Commission ("PSC").[63/] Neither Bell Atlantic-New York ("BA-NY") nor Frontier Telephone of Rochester, Inc. ("Frontier") has demonstrated any reason for the PSC to tamper with the carefully considered reciprocal compensation scheme currently in place. Instead, both incumbent local exchange carriers ("ILECs") simply throw around unsubstantiated arguments to support their untenable position that calls terminating with Internet service providers ("ISPs") should be treated differently from other calls. Adopting BA-NY's[64/] proposal on an ad hoc basis without a full review of the overall reciprocal compensation scheme, would likely deter competitors' investments in facilities-based residential and business telephone

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[63/] Cases 97-C-1275, 98-C-1273 and 98-C-1479, Notice Requesting Comments on Reciprocal Compensation Proposals (Issued March 18, 1999) ("Notice Requesting Comments").

[64/] Frontier's comments closely tracked those of BA-NY. While Lightpath opposes the arguments of both ILECs equally, it will refer to them collectively as "BA-NY" for ease of reference.

services, and could chill Internet usage. Both results are contrary to the PSC's forward-looking policies favoring competition and promotion of the Internet.[65/]

As BA-NY seems to admit, its main (if not sole) concern is that competitive carriers have succeeded in identifying and capturing a segment of the market that BA-NY believed it could win for itself. Unfortunately, BA-NY has chosen to seek regulatory relief from the PSC rather than addressing the issue in the marketplace. BA-NY's argument is particularly ironic, given its early advocacy of reciprocal compensation over bill and keep, and its position that reciprocal compensation should apply to non-ISP-bound traffic, such as cellular traffic, where the current scheme works to BA-NY's benefit.

BA-NY should not be allowed to win in the regulatory forum what it could not win in the marketplace. Granting BA-NY's requests would undermine competitive investment in New York, needlessly upend the current regulatory scheme, and embroil the PSC in endless disputes over which compensation arrangements should apply to which types of traffic, or customers.[66/]

Most importantly, as both the PSC and BA-NY have recognized, there are legitimate and significant network costs associated with the termination of local phone calls, including calls to ISPs. Sound economic policy, as well as regulatory fairness, requires that LECs be fully

[65/] Singling out a particular type of traffic on an ad hoc basis is simply unacceptable, and is contrary to the principles of TELRIC. As Lightpath explained in its initial comments, any change to the current reciprocal compensation scheme must apply comprehensively to <u>all</u> traffic, and should be the product of full proceedings before the PSC. These proceedings should also include a collaborative process. Lightpath would certainly be willing to participate in any such proceedings, and collaborative process.

[66/] In addition, as the PSC is aware, BA-NY is nearing approval for entry in New York into the multi-billion dollar long-distance market, after which it will have even greater incentive to abuse its bargaining power in negotiations with CLECs. Against this backdrop, it is especially vital that the PSC not undermine current arrangements that ensure that CLECs are fully compensated for the costs they incur for terminating <u>all</u> local traffic, including calls to ISPs.

compensated for these costs. Lightpath, for example, terminates many minutes of calls to many different customers. If Lightpath is not fairly compensated for its termination costs for these calls, it will not be able to continue making the huge investments necessary to upgrade its network and roll-out local service.[67/] This in turn would deprive ISPs and other end-users of competitive options, chill Internet usage, and otherwise reduce competition in the local market.

Recognizing that carriers must be able to fully recover their termination costs if they are to interconnect, the PSC established the current reciprocal compensation scheme to ensure that LECs compensate each other for these costs. In determining the appropriate framework and rates, the PSC conducted exhaustive proceedings, thoroughly examined volumes of evidence,[68/] and carefully considered the policy implications of various alternatives before establishing the current reciprocal compensation scheme and rates. The existing reciprocal compensation scheme is therefore not some hastily created, arbitrary rule, but the product of a thorough regulatory process.

The PSC should not allow BA-NY to subvert its well-conceived, sound, regulatory scheme simply because competitors have succeeded in winning customers from the ILECs in the marketplace. Instead the PSC should maintain the status quo by reaffirming that:

- The policy rationales underlying TELRIC and symmetry require that reciprocal compensation arrangements continue to be applied to all local traffic in the aggregate, not in a piecemeal fashion that discriminates between particular classes of customers; and

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[67/] Lightpath currently continues to make these investments, having recently installed a second switch on Long Island.

[68/] This evidence consisted largely of BA-NY cost studies and testimony setting out the costs involved in carrying and terminating all calls, including calls to ISPs, that travel over a LEC's network.

- That there is no need to replace the current rate structure, or subject CLECs to onerous cost proceedings.

I. BA-NY'S BLANKET CHARACTERIZATION OF CLECS AS MERE FRONTS FOR ISPS IS AN EXAGGERATION AND IGNORES THE DIVERSITY IN THE CLEC COMMUNITY

The PSC should not fall prey to BA-NY's attempts to tar all CLECs with the same broad brush. BA-NY relies on a couple of Internet postings related to a handful of CLECs to support its categorical characterization of all CLECs as niche players that exist solely to exploit regulatory anomalies. Nothing could be further from the truth.[69/] Contrary to BA-NY's caricature of CLECs as sham carriers that exist only as "fronts" for ISPs, Lightpath is a full service, facilities-based competitive local exchange carrier ("CLEC") committed to offering a broad range of services to a wide variety of business and residential customers in New York.[70/]

[69/] BA-NY's misleading attempts to categorize all CLECs based on anecdotal evidence regarding a small minority of competitors underlies its entire pleading. For instance, BA-NY extrapolates from certain provisions in a few interconnection agreements to argue that it no longer has contractual reciprocal compensation obligations to any CLECs. BA-NY should not be allowed to discharge its evidentiary burden, or circumvent its contractual obligations, in such a generic, off-hand manner. Each interconnection agreement is unique, with its own language reflecting the intent of the specific parties involved. Accordingly, if BA-NY believes it has claims under its specific interconnection agreement with Lightpath in light of the FCC's ruling, it should address those issues directly to Lightpath, pursuant to section 29.3 of the agreement. See Case No. 97-C-0961 - Interconnection Agreement between Cablevision Lightpath and NYNEX at § 29.3 (filed Aug. 14, 1997) ("Interconnection Agreement") (obligating the parties to enter into good faith negotiations if any legislative, regulatory, judicial or other legal action materially affects any material terms of the agreement). It should not make an end-run around its contract with Lightpath by filing a pleading with the PSC. Nor should it treat all CLECs as if they have identical customer-bases, networks or interconnection agreements. Such assumptions are patently false and ignore the reality in the marketplace.

[70/] In other words, Lightpath provides precisely the "full range of local exchange services to end-user customers" that even BA-NY agrees entitles it to reciprocal compensation. See Cases 98-C-1273 and 98-C-1479, ACC National Telecom Corp. Blocking Obligations for Chatline Services, Bell Atlantic-New York's Comments on Costs and Rate Structures Applicable to Large-Volume Call Termination to Single Customers, at 4 (March 15, 1999) ("BA Comments"). In addition, Lightpath has not entered into any "rebate" or any other revenue sharing agreements

In fact, ISPs constitute only a tiny portion of the thousands of customers Lightpath serves. It should be clear then that Lightpath does not exist solely to serve ISPs, or as a "front" to such customers. Rather, Lightpath serves ISPs as part of its commitment to offer full local service to all types of customers. Nonetheless, Lightpath has the right to be properly compensated for its legitimate network costs associated with terminating calls to these ISP customers.

II. THE PSC'S COMPREHENSIVE RECIPROCAL COMPENSATION SCHEME WOULD BE UNDERMINED IF BA-NY IS ALLOWED TO SELECTIVELY EXCLUDE PARTICULAR TYPES OF CALLS

BA-NY's argument that reciprocal compensation should not apply to ISP-bound traffic flies in the face of the thoughtfully crafted, comprehensive regulatory scheme adopted by the PSC. As Lightpath explained in its initial comments, the PSC derived the appropriate rates for reciprocal compensation by examining cost studies (primarily those of BA-NY) which reflected the average cost for *all* calls traveling over a LEC's network -- including calls to ISPs, and other users. Separating out traffic to one particular class of customers (in this case, those that terminate large volumes of minutes) would therefore undermine the current scheme and require the PSC to recalculate a new average cost per call, based on the remaining call types. Thus, singling out ISP-bound traffic for disparate treatment would defeat the purpose of the TELRIC methodology adopted by the PSC. It would also embroil the PSC in endless regulatory haggling as carriers try to manipulate the system. LECs would continually argue over which customers or what traffic should be subject to reciprocal compensation depending on what was advantageous to them at the time. Each time a LEC succeeded in removing a class of customers or traffic from

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of the type that BA-NY devotes pages to excoriating.

existing reciprocal compensation arrangements, the PSC would have to institute proceedings and re-calculate the applicable rates based on the calls still subject to reciprocal compensation.

Moreover, there can be no doubt that BA-NY seeks to have reciprocal compensation selectively enforced only where it is advantageous to it. For example, BA-NY vigorously argued that reciprocal compensation should apply to the termination of LEC-CMRS[71/] traffic (i.e., traffic between LECs and PCS, cellular and other wireless customers)[72/] -- the bulk of which would be terminated by the ILECs, enabling them to impose considerably more costs on CMRS providers than CMRS providers would be able to impose on them.[73/] Ironically, Bell Atlantic's argument at the time was that applying bill and keep to CMRS traffic would leave ILECs with significant uncompensated costs[74/] and create perverse incentives, encouraging carriers to generate large volumes of *outbound* minutes and "avoid customers that have a disproportionate share of in-

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[71/] Commercial Mobile Radio Service ("CMRS") includes most traditional wireless traffic, including personal communications services ("PCS"), cellular and satellite telephone service, among others. See Interconnection Between Local Exchange and Commercial Mobile Radio Service Providers, CC Docket No. 95-185, Notice of Proposed Rulemaking, 11 FCC Rcd 5020, 5022 (released January 11, 1996) ("CMRS NPRM").

[72/] See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket 96-98, First Report and Order, 11 FCC Rcd 15499, 16053 (released August 8, 1996) ("Local Competition Order"); Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket No. 95-185, Bell Atlantic Comments, at 6, 8 (March 4, 1996) ("BA CMRS Comments").

[73/] See Local Competition Order at16053; BA CMRS Comments, Attached Statement of Robert W. Crandall on Interconnection Policies of CMRS at 8 ("Current termination rates for cellular traffic generate a substantial amount of revenue for the LECs"); id. at 9 (noting that CMRS traffic is "heavily weighted with calls from the wireless subscribers to LEC subscribers"); Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket No. 95-185, SBC Comments, at 11-12 (March 4, 1996) (noting that approximately 80 percent of LEC-CMRS traffic would be terminated by the ILEC).

[74/] BA CMRS Comments at 8.

bound calls."[75] According to Bell Atlantic, reciprocal compensation was therefore necessary to encourage LECs to seek customers with inbound minutes.[76] Now its argument has come back to haunt BA-NY, as CLECs have succeeded in attracting the inbound minutes that Bell Atlantic and the other ILECs assumed would accrue to the incumbents. In response, BA-NY has now reversed its position claiming that it is reciprocal compensation that creates perverse incentives (though only with respect to ISP traffic -- not the wireless traffic where the imbalances work to BA-NY's benefit) Clearly, BA-NY is trying to "game" the system -- arguing for reciprocal compensation when it is to BA-NY's advantage, and arguing against it where it works to its disadvantage. This abuse of the regulatory process wastes the PSC's resources and is contrary to the TELRIC-based approach the PSC adopted in creating the current reciprocal compensation rules.[77]

III. BA-NY'S SPECIFIC POLICY PROPOSALS ARE CONTRARY TO ESTABLISHED PRINCIPLES OF RATEMAKING AND WOULD LEAD TO ANTI-COMPETITIVE RESULTS

BA-NY essentially makes three alternative proposals for modifying reciprocal compensation arrangements for ISP-bound traffic: 1) eliminate all compensation for this traffic; 2) apply a uniform end office rate to all ISP-bound traffic terminated by a CLEC, at least on an interim basis; or 3) implement a new, long term reciprocal compensation rate based on CLEC cost studies. Each of these proposals is at odds with sound public policy.

75/ BA CMRS Comments at 7.

76/ Id.

77/ As Lightpath has explained, any adjustments to the current scheme would require extensive new TELRIC proceedings establishing a new rate applicable to all calls.

A. LECs Must Be Compensated For Their Legitimate Network Costs Associated With Transporting And Terminating ISP-Bound Traffic

BA-NY's first argument, which it properly spends very little time defending, is that LECs should not compensate each other at all for terminating each other's ISP-bound traffic.[78/] What BA-NY fails to acknowledge, however, is that a public policy of "no compensation" would have a significant adverse impact on competition in the local exchange market and have a chilling effect on Internet usage. There are costs associated with terminating ISP-bound calls, and carriers must be compensated for these costs.[79/]

BA-NY's only response is that LECs should recover their transport and termination costs by charging their ISP customers higher rates.[80/] If CLECs were to pass their transport and termination costs on to the ISPs, however, the ISPs would undoubtedly pass most, if not all, of

[78/] Bell Atlantic does not, and indeed cannot, argue that the FCC's recent ruling leaves the PSC without authority to order reciprocal compensation. As Lightpath explains more fully in its comments filed today in Case 97-C-1275, the PSC retains the authority to continue applying reciprocal compensation to ISP-bound traffic. Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Declaratory Ruling in CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68, FCC 99-38, at 15-18, ¶¶ 24-27 (released February 26, 1999) ("Declaratory Ruling"). Moreover, several interconnection agreements, including the agreement between Lightpath and BA-NY, contemplate the continued application of reciprocal compensation to such traffic independent of the FCC's jurisdictional ruling. See Interconnection Agreement at §5.7; Alabama Public Service Commission Docket 26619, Emergency Petitions of ICG Telecom Group Inc. and ITC DeltaCom Communications, Inc. for a Declaratory Ruling, at 37-38 (effective March 4, 1999).

[79/] See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket 96-98, NYNEX Comments, at 89 (March 16, 1996) (discussing its need to recover costs associated with the termination of traffic).

[80/] BA Comments at 3. This would not only reduce Internet demand, but it would violate the general principle that local end users do not pay surcharges for receiving calls.

these costs onto *their* customers – residential consumers,[81] thereby chilling Internet usage, in contravention of the established public policy in favor of promoting Internet use.[82] The only other viable alternative[83] would be for CLECs to stop serving ISP customers, thereby, depriving an important segment of the market of the benefits of competition.

B. BA-NY Is Not Entitled To Pay End Office Rates For ISP-Bound Traffic

In establishing the current reciprocal compensation scheme and rates, the PSC was guided by several principles, including 1) that compensation for interchanged traffic "should be symmetrically applicable among local exchange carriers," and 2) that such compensation should be based on ILEC costs.[84] As the PSC recognized, however, "the architecture of new entrant networks [was] not likely to duplicate that of incumbents," in that CLECs were unlikely to re-

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[81] As Frontier correctly points out, the vast majority of dial-up calls to ISPs are generated by residential users, not business. Cases 98-C-1273 and 98-C-1479, ACC National Telecom Corp. Blocking Obligations for Chatline Services, Comments of Frontier Telephone of Rochester, Inc., at 3 (March 19, 1999).

[82] The logic of this argument belies BA-NY's claim that it does not seek to "affect the way in which consumers pay for Internet access . . . ." Case 97-C-1275, Proceeding on Motion of the Commission to Investigate Reciprocal Compensation Related to Internet Traffic, Petition to Re-Open C 97-C-1275 Filed by Bell Atlantic-New York, at 2, n.2 (March 2, 1999).

[83] Continuing to terminate this traffic without being compensated while still paying BA-NY to terminate all other traffic is simply not an option for CLECs such as Lightpath. As new entrants in the local exchange marketplace, CLECs lack the resources and broad customer base that would allow the ILECs to absorb such transport and termination costs. CLECs, therefore, could not afford to terminate traffic to ISPs without receiving reciprocal compensation.

[84] Case 94-C-0095, Order Instituting Framework for Directory Listings, Carrier Interconnection and Intercarrier Compensation, at 4 (Issued and Effective September 27, 1995) ("Intercarrier Compensation Order"); Cases 98-C-1273 and 98-C-1479, ACC National Telecom Corp. Blocking Obligations for Chatline Services, Comments of Cablevision Lightpath Inc., at 15-16 (March 15, 1999) ("Lightpath Initial Comments") (citing the policy reasons underlying the symmetry rule).

create the tandem and end office architecture employed by the ILECs.[85/] A dispute therefore arose over whether symmetry demanded that CLECs be compensated at ILEC end office or ILEC tandem office rates for the traffic they terminate. The PSC addressed the parties' concerns over these issues by deciding that CLECs would be allowed to charge the ILECs' tandem rates where the access it provided is "*functionally equivalent* to a tandem," even though the CLEC's network "may not have a tandem switch."[86/]

Clearly, then, the PSC's decision to allow CLECs to charge tandem office rates was not based on a misguided belief that CLECs would adopt the end office and tandem architecture employed by the ILECs. Rather the PSC acted based on a sound policy judgment that the interests of symmetry and fairness required that CLECs be compensated for the access provided, regardless of the architecture used to provide that access. As the PSC explained, "[f]unctional equivalence is not . . . measured by the size of a carrier's operation, or the architecture employed; rather, it is the ability to terminate [traffic] to all customers served by a carrier's unique, stand alone network by delivery to a single point of interconnection."[87/] In other words, the "test" for determining whether tandem office rates apply is not whether a CLEC has tandem and end offices, but whether an ILEC can reach all of a CLECs' customers through a single interconnection point.[88/] It is irrelevant how the CLEC carries the traffic from its switch to its

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[85/] InterCarrier Compensation Order at 5.

[86/] Id. at 5-6 (emphasis added).

[87/] Id. at 6, n.1 (a footnote conveniently omitted by BA-NY in its comments); Accord Local Competition Order at 16042 ("Where an interconnecting carrier's switch serves a geographic area comparable to that served by the incumbent LEC's tandem switch, the appropriate proxy for the interconnecting carrier's additional costs is the LEC tandem interconnection rate.")

[88/] In this regard, it is important to note that Lightpath's switches each cover broad geographic customers, or how far its customers are from its switch.[89/] The only relevant question is whether the ILEC can bring all its traffic to a single point of interconnection and rely on the CLEC to carry that traffic to the relevant customers.

None of BA-NY's arguments address this key point. BA-NY never claims that it must rely on multiple points of interconnection to reach CLECs' customers. Instead, it merely posits – based on only anecdotal evidence -- that CLECs do not have to carry the traffic very far to reach their customers. Even assuming this were true,[90/] this argument has no bearing on whether the CLEC switches are functionally equivalent to ILECs' tandem switches. Nonetheless, BA-NY devotes pages to an argument it *knows* has no relevance (it even cites to the PSC's InterCarrier Compensation Order, carefully omitting the explanatory footnote excerpted previously).[91/] The

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areas, comparable to those covered by an ILEC tandem.

[89/] The PSC's Chatline Order requested comments focusing on the special characteristics associated with "the termination of large volumes of calls, with possibly long holding times, to a single customer." Cases 98-C-1273 and 98-C-1479, Order Directing Carriers to File Tariffs for Chatline Services and Related Actions, at 11 (issued and effective February 4, 1999) ("Chatline Order"). The current reciprocal compensation rates do not include a loop component, and are not distance sensitive. Thus, BA-NY's distance-based arguments are irrelevant. Moreover, it should be recognized that arguments concerning network architecture and customer distance are significantly over inclusive and would lead to a distance-based compensation scheme at odds with the PSC's current methodology.

[90/] For the record, Lightpath's customers, ISPs and non-ISPs alike, are located at widely varying distances from Lightpath's switches, as are BA-NY's own customers.

[91/] BA-NY's proposal to impose a two-to-one ratio test to determine the applicable rates is also seriously flawed because 1) the ratio between incoming and outgoing traffic has nothing to do with whether or not an interconnection point is the functional equivalent of a tandem or end office (or even whether customers are near to or far from CLEC switches); 2) BA-NY's "ratio test" is carefully crafted to ensure that BA-NY continues to be fully compensated for all traffic it terminates to its ISP customers (including collocated or affiliated ISPs) while leaving open the possibility that CLECs may not be adequately compensated for traffic terminated to customers that receive more traffic than they generate (such as radio call-in shows, banks, or large call question is not how far CLECs are located from their customers, but how accessible those customers are to the interconnecting ILEC.

C. BA-NY's Proposal To Foist Cost Studies On CLECs Is Contrary To The PSC's Basic Rate-Setting Framework And To Its Commitment To Market-Opening, Deregulatory Policies

BA-NY's proposal to require CLECs to submit cost studies is anti-competitive and antithetical to the rule of symmetry adopted by the PSC.[92/] The symmetrical scheme currently in place is supported by several key public policy considerations. As Lightpath explained at length in its initial comments, a symmetrical scheme creates the correct incentives for carriers by ensuring that CLECs are not penalized for realizing efficiencies in their networks.[93/] Symmetrical rates also encourage competitive entry by allowing potential CLECs to enter the local market without submitting cost studies. Requiring CLECs to provide cost studies before they can offer service would create a formidable barrier to entry, given the expense such a cost study would likely entail.[94/] Unlike ILECs, CLECs do not yet have a broad customer base over which to defray the onerous expense of a cost study. Symmetrical rates are also administratively easier for a commission to derive and manage than asymmetrical rates based on each carrier's

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centers); and 3) BA-NY has set the ratio far too conservatively. As BA-NY admits, the imbalances it experiences with most CLECs "far exceed" the 2:1 ratio BA-NY proposes. BA Comments at 17. In fact, the three "key" ratios listed by BA-NY average over 22:1, "more than an order of magnitude higher," than the 2:1 ratio proposed by BA-NY. Id. at n.32 (citing ratios of 11:1, 22:1 and 35:1 for "three key CLECs.")

92/ See Intercarrier Compensation Order at Appendix A (requiring that termination rates for reciprocal compensation must be symmetrical).

93/ Lightpath Initial Comments at 15-16.

94/ See Local Competition Order at 16041-42.

costs.[95/] Most importantly, symmetry also reduces an ILEC's ability to use its disproportionate bargaining power in negotiating with CLECs. By requiring ILECs to pay the same reciprocal compensation rates as CLECs, symmetry prevents incumbents from forcing competitors to accept termination payments that are lower than what they pay the ILECs.[96/] BA-NY is trying to circumvent this safeguard by arguing that reciprocal compensation should only apply when it is to the ILEC's advantage (i.e., as with CMRS traffic), but not where it may work to the CLEC's advantage (i.e., ISP-bound traffic). Therefore, the rule of symmetry, and the policies underlying it, dictate that CLECs should continue to be allowed to rely on ILEC cost studies and not be burdened by having to produce their own independent cost studies.[97/]

Finally, BA-NY's call for CLEC cost studies is completely out of synch with the current regulatory atmosphere. It is almost inconceivable to think that the PSC is being asked to consider conducting rate cases and requiring CLECs to produce cost studies in 1999 in the midst of a new era of deregulation and increased competition. The PSC should therefore reject BA-NY's arguments as retrograde attempts to bring back the days of monopoly, when the ILECs controlled the market and did not have to meet the legitimate pressures of true competition. The negative consequences of such actions cannot be overstated. The inability of CLECs such as Lightpath to recover their legitimate network costs will seriously impede, if not jeopardize, the roll-out of facilities-based competition to lower margin residential customers.

95/ Id.

96/ Local Competition Order at 16041.

97/ The only exception to the general rule that CLECs do not have to provide cost studies to support their rates, is that competitors may present such studies to justify rates higher than those charged by the ILEC. See Intercarrier Compensation Order at Appendix A; Local Competition Order at 16042. Clearly, that is not the issue here.

CONCLUSION

For all of the reasons stated above, the PSC should reject BA-NY's and Frontier's attempts to undermine the existing holistic reciprocal compensation system and find that the existing reciprocal compensation scheme and rates continue to apply to all traffic with local traffic characteristics, including traffic terminating with large volume users such as ISPs and IPs.

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Dated: March 29, 1999

CERTIFICATE OF SERVICE

I, Paula L. Allen, hereby certify that on this 12th day of April, 1999, I caused a copy of the foregoing, "Comments of Cablevision Lightpath, Inc." to be sent U.S. mail, postage prepaid to the following:

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